

OMB APPROVAL	
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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>MURPHY TERRY M</u> (Last) (First) (Middle) <u>1900 WEST LOOP SOUTH</u> <u>SUITE 1500</u> (Street) <u>HOUSTON TX 77027</u> (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>QUANEX CORP [NX]</u>	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director 10% Owner <input checked="" type="checkbox"/> Officer (give title below) Other (specify below) <u>Vice President & CFO</u>
	3. Date of Earliest Transaction (Month/Day/Year) <u>12/22/2004</u>	
	4. If Amendment, Date of Original Filed (Month/Day/Year)	6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	12/22/2004		M		4,000	A	\$21.125	14,525.555	D	
Common Stock	12/22/2004		M		3,000	A	\$39.6	17,525.555	D	
Common Stock	12/22/2004		S		200	D	\$70.03	17,325.555	D	
Common Stock	12/22/2004		S		6,800	D	\$69.25	10,525.555	D	

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Stock Options (Right to buy)	\$18.1875							10/27/2000	10/26/2010	Common Stock	25,000		25,000	D	
Stock Options (Right to buy)	\$21.125	12/22/2004		M ⁽¹⁾		4,000		10/21/2000	10/20/2009	Common Stock	4,000	\$0	0	D	
Stock Options (Right to buy)	\$26							10/24/2002	10/23/2011	Common Stock	25,000		25,000	D	
Stock Options (Right to buy)	\$32							12/05/2003	12/04/2012	Common Stock	25,000		25,000	D	
Stock Options (Right to buy)	\$39.6	12/22/2004		M ⁽¹⁾		3,000		12/04/2004	12/03/2013	Common Stock	3,000	\$0	10,500	D	
Stock Options (Right to buy)	\$59.2							12/01/2005	12/01/2014	Common Stock	14,100		14,100	D	
Phantom Stock Units	\$0							09/30/2004	08/08/1988	Common Stock	12,162.899		12,162.899	D	

Explanation of Responses:

1. Options exercised under the Quanex Corporation 1996 Employee Stock Option Plan.

Terry M Murphy

12/23/2004

** Signature of Reporting Person

Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

